Perceived Risk Index©
Sectors Analysis

Perceived Risk Index©

Introduction

PRI Perceived Risk Index© is an innovative, forward-looking indicator developed by Enel SpA Risk Control Unit within AFC function that reflects corporate risk perceived by financial markets.

In an ever-evolving economic landscape, understanding how markets interpret risk is a key strategic lever for companies, investors, and stakeholders.

PRI Perceived Risk Index© is a forward-looking indicator since it considers three different variables with a prospective nature that reflects the premium at risk required by investors:

- **Inverse Stock Price**: the stock price reflects the level of investors' trust towards the company. Thus, the lower is the stock price, the higher is the perceived risk;

- **Option Implied Volatility (3 months):** gives the indication of the perceived risk of the underlying asset implied in listed option prices;

- **Credit Default Swap (5 years):** The CDS represents a credit risk premium and thus it has a direct relationship with the company perceived probability of default.

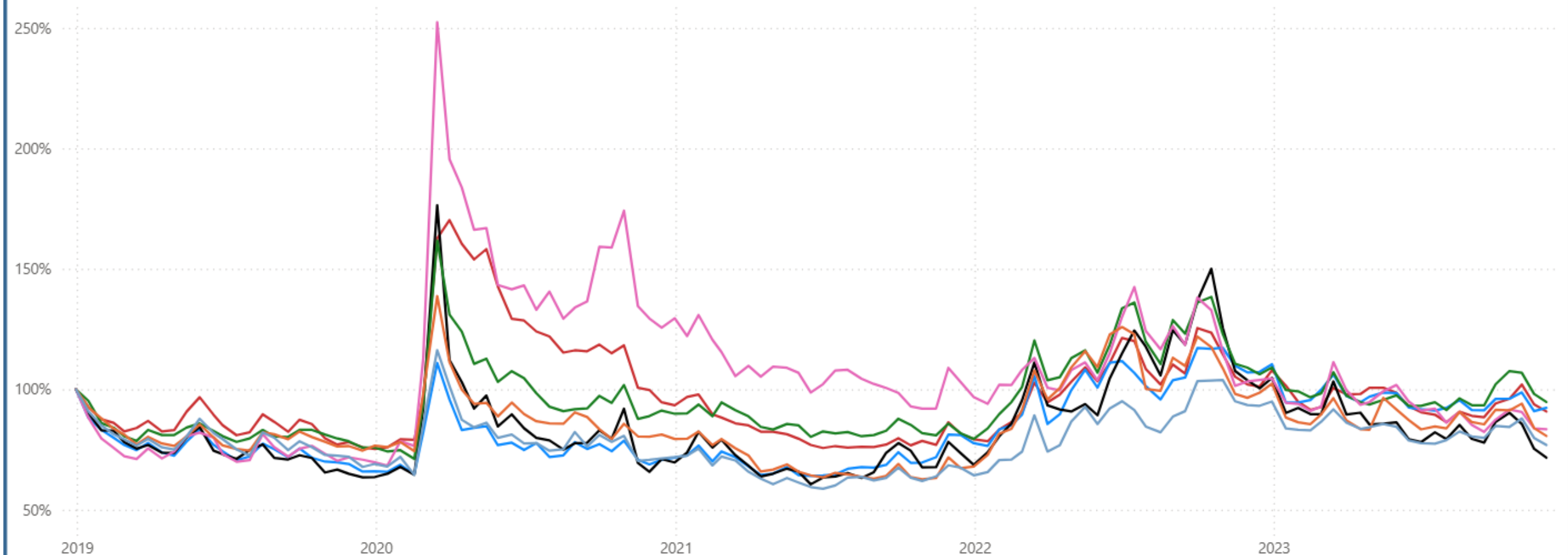These above mentioned three variables are market data available on public sites.

31/12/2018 is the starting point of the monitoring activity, with a baseline value of 100%, across six key sectors: Energy, Oil & Gas, Consumer Goods, Software, Technology, and Automotive.

PRI Perceived Risk Index©
Measuring the risk as perceived by financial markets – Sectors & Enel

Legend: Automotive — Consumer Goods — Enel — Energy — Oil&Gas — Software — Technology

Automotive	Consumer Goods	Energy	Oil & Gas	Software	Technology	Enel
91% ✓	92% ✓	95% ✓	83% ✓	81% ✓	77% ✓	72% ✓
vs Base Date: 100% (-9,18%)	vs Base Date: 100% (-7,70%)	vs Base Date: 100% (-5,26%)	vs Base Date: 100% (-16,57%)	vs Base Date: 100% (-19,36%)	vs Base Date: 100% (-23,07%)	vs Base Date: 100% (-28,37%)

3

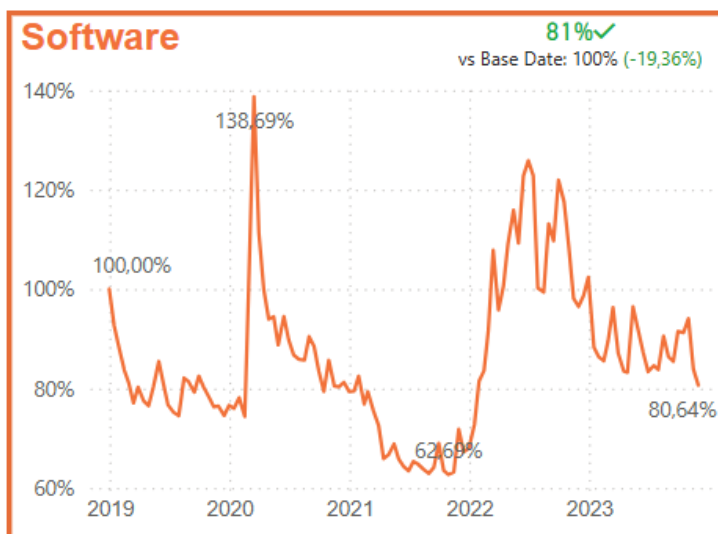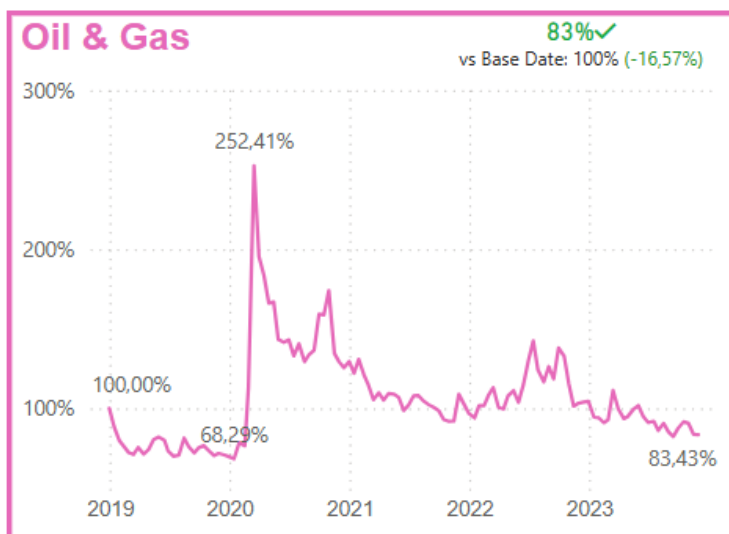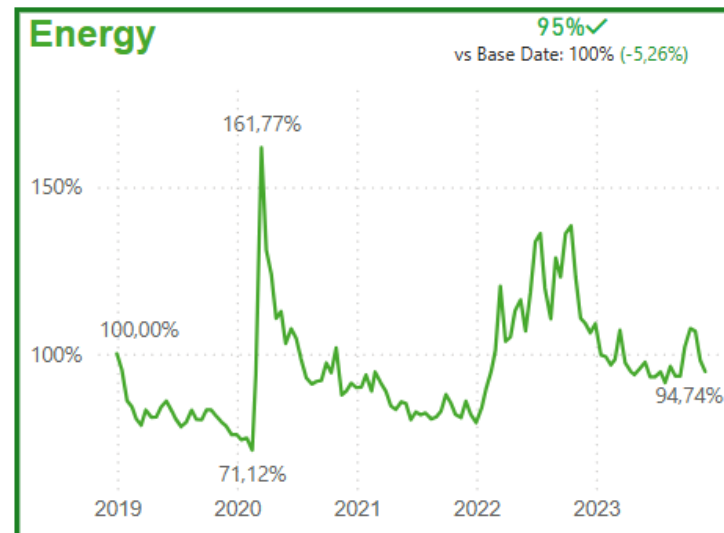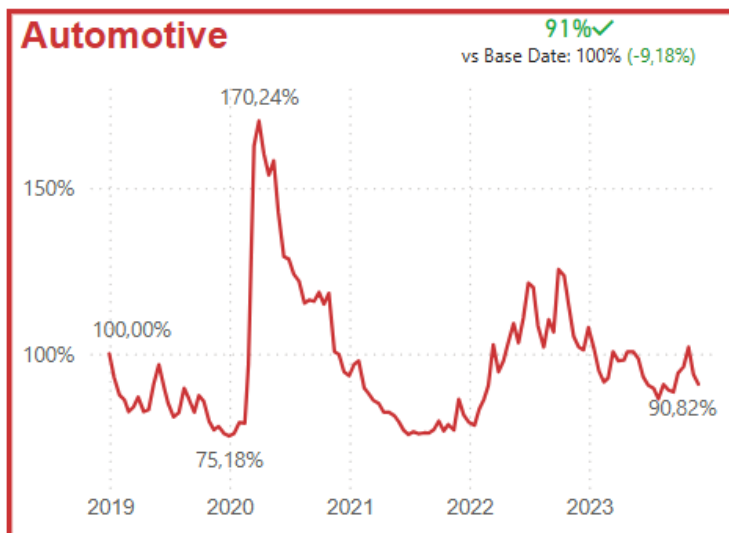# Perceived Risk Index©

Measuring the risk as perceived by financial markets – by Sector @ 30 Nov 2023

Automotive — 91% ✓ vs Base Date: 100% (-9,18%)
100,00% · 170,24% · 75,18% · 90,82%

Consumer Goods — 92% ✓ vs Base Date: 100% (-7,70%)
100,00% · 117,21% · 64,09% · 92,30%

Energy — 95% ✓ vs Base Date: 100% (-5,26%)
100,00% · 161,77% · 71,12% · 94,74%

Oil & Gas — 83% ✓ vs Base Date: 100% (-16,57%)
100,00% · 252,41% · 68,29% · 83,43%

Software — 81% ✓ vs Base Date: 100% (-19,36%)
100,00% · 138,69% · 62,69% · 80,64%

Technology — 77% ✓ vs Base Date: 100% (-23,07%)
100,00% · 116,27% · 58,76% · 76,93%
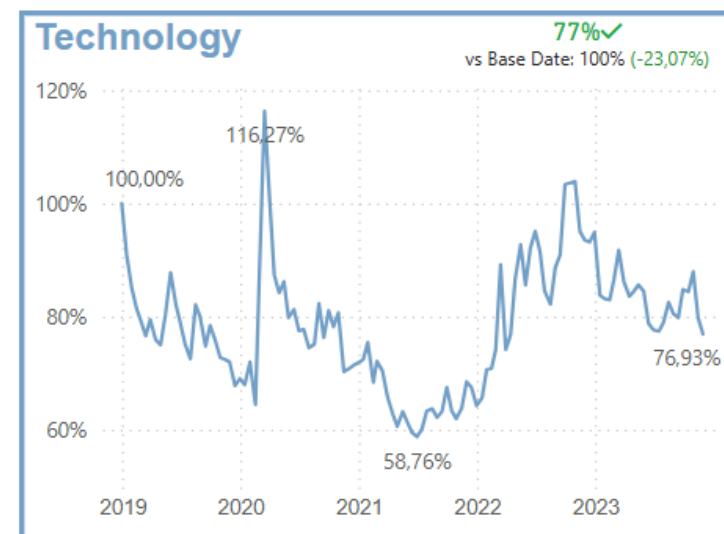
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Comments

Full month trend:

In November 2023, **Enel's PRI© continued to improve** (reaching 72%), maintaining its **second position** among sector peers.

In the **first half** of the month, the index declined from 86% to 75%, supported by a rise in the stock price, a reduction in implied volatility, and a drop in the CDS spread. This improvement was largely driven by **positive news** from the first nine months of 2023 results, which highlighted **increased profits**, a **reduction in net debt**, and the **approval of an interim dividend** for 2023.

During the **second half** of the month, the **positive trend persisted for all peers**, with the PRI© further decreasing thanks to a broad-based improvement in all risk variables. For Enel, this progress was also supported by the presentation of the **new Industrial Plan**, which **reinforced investor confidence**.